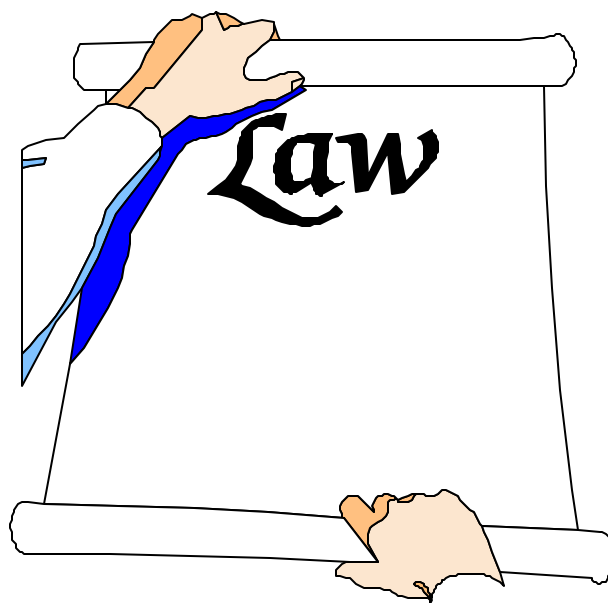


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Indiana Department of Financial Institutions

# YOUR RIGHTS



Overheads



Building: Knowledge,  
Security, and Confidence

FINANCIAL EDUCATION

# You Will Know

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- **The laws that protect your rights as a banking consumers**
- **Ways to avoid scams**
- **Ways to protect your identity**
- **How to resolve complaints regarding your bank accounts**



# Deposit Regulations

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Truth in Savings Act

Electronic Fund Transfer Act

Expedited Funds Availability Act

FDIC Deposit Insurance Regulations



# Prohibited Bases

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- **Race**
- **Color**
- **Religion**
- **National Origin**
- **Sex**
- **Marital Status**
- **Age**
- **Receipt of Public Assistance**
- **Exercise of Rights Under the Consumer Credit Protection Act**



# Truth in Lending Disclosure

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**Finance Charge** — the total dollar amount you pay to use credit

**Annual Percentage Rate (APR)** — the percentage cost of credit on a yearly basis.

## Truth in Lending Disclosure

<b>ANNUAL PERCENTAGE RATE</b> The cost of your credit as a yearly rate.	<b>FINANCE CHARGE</b> The dollar amount the credit will cost you.	<b>Amount Financed</b> The amount of credit provided to you on your behalf.	<b>Total of Payments</b> The amount you will have paid after you have made all payments as scheduled.
<b>12%</b>	<b>\$ 675.31</b>	<b>\$ 5,000.00</b>	<b>\$ 5,675.31</b>



# Sample Denial Letter

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## SAMPLE NOTICE OF ACTION TAKEN AND STATEMENT OF REASONS

Date \_\_\_\_\_

Dear Applicant:

Thank you for your recent application. Your request for a loan was carefully considered and we regret that we are unable to approve your application at this time for the following reasons:

Your Income: \_\_\_\_\_ is below our minimum requirement.  
\_\_\_\_\_ is insufficient to sustain payments on the amount of credit requested.  
\_\_\_\_\_ could not be verified.

Your Employment: \_\_\_\_\_ is not of sufficient length to qualify.  
\_\_\_\_\_ could not be verified.

Your Credit History: \_\_\_\_\_ of making payment on time was not satisfactory.  
\_\_\_\_\_ could not be verified.

Your Application: \_\_\_\_\_ lacks a sufficient number of credit references.  
\_\_\_\_\_ lacks acceptable types of credit references.  
\_\_\_\_\_ reveals that current obligations are excessive in relation to income.

Other: \_\_\_\_\_

The consumer reporting agency contacted that provided information that influenced our decision in whole or in part was [Name, Address, and Toll-Free Telephone number]. The reporting agency is unable to supply specific reasons why we have denied credit to you. You do, however, have a right under the Fair Credit Reporting Act to know the information contained in your credit file. You also have a right to a free copy of your report from the reporting agency, if you request it no later than 60 days after you receive this notice. In addition, if you find that any information contained in the report you received is inaccurate or incomplete, you have the right to dispute the matter with the reporting agency. Any questions regarding such information should be directed to [Consumer Reporting Agency].

If you have any questions regarding this letter, you should contact us at [Creditor's Name, Address, and telephone number].

NOTICE: The federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The federal agency that administers compliance with this law concerning this creditor is [FDIC Regional Office].



# Sample Complaint Letter

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*Your Name*  
*Your Address*  
*Your City, State, Zip Code*  
*Date*

*Name of Contact Person Title*  
*Company Name*  
*Consumer Complaint Division (If you have no contact person)*  
*Street Address*  
*City, State, Zip Code*

RE: *(Account number, if applicable)*

Dear *(Contact Person)*:

On *(Date)*, I bought a \$150 item at *(Name of Department Store)*. I was reviewing my credit card statement and I noticed I was billed twice for the same item.

To resolve the problem, I would appreciate your crediting my account for \$150. Enclosed is a copy of my receipt.

I look forward to your reply and a resolution to my problem and anticipate hearing from you before *(set a time limit)*. Please contact me at the address above or by phone *(Home and Office Numbers with Area Code)*.

Sincerely,

*Your Name*

Enclosure(s)

cc: *(reference to whom you are sending a copy of this letter, if anyone)*



# Predatory Lending

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**The following are tactics that can be considered predatory:**

- **High-pressure and misleading sales pitches**
- **Excessive fees and interest rates beyond what is necessary to cover the risk and make a profit**
- **“Packing on” or requiring unnecessary products that are included in the loan balance**





# Predatory Loans (Cont.)

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- **Large prepayment penalties that are intended to trap the borrower in an unfavorable or unaffordable loan**
- **Payments that increase over time and have unrealistic repayment terms**
- **Loan flipping or frequent refinancing with fees folded into the loan balance that result in rising the loan balances and decreases the equity in your loan**
- **Aggressive and abusive collection practices**



# Predatory Loan Offer

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Dear Homeowner,

Do you want extra cash? **AAA Lender** can help you get the money you have been hoping for. Our free services have already helped thousands of homeowners get low interest loans to consolidate bills and get out of debt.

We are a top-rated professional referral agency and our mission is to provide homeowners, like yourself, with carefully selected lenders. We use the best network of affiliated mortgage banking companies in the country! We have hundreds of lenders across the United States ready to meet your individual needs.

**We can provide you with lenders who will loan you up to 125% of your home's value!**

Best of all, our lenders offer the lowest interest rates available and they can set you up with an incredibly low monthly payment!

There are no upfront fees! This means you won't pay a dime, so you have absolutely nothing to lose! You may qualify for up to 125% of the value of your home or \$100,000 even if you have no equity in your home; even if you have a bad credit history.

Here are just some of the ways you can put this cash to use:

- Home improvements
- Credit card debt
- College tuition
- Dream vacation
- A new car
- Start your own business
- or whatever else you need



You owe it to yourself to request your free loan evaluation. It's free and has nothing to lose. Call us now and find out how easy it is. Act now, this is a limited time offer.

Your loan can often be approved within 24 hours and you can have the cash in your hands within 1-2 weeks!

Sincerely

AAA Lender